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FISCAL IMPACT STATEMENT

LS 6739

BILL NUMBER: SB 162

NOTE PREPARED: Dec 22, 2005

BILL AMENDED:

SUBJECT: Exempt Commercial Policyholder.

FIRST AUTHOR: Sen. Paul

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: This bill decreases from \$75,000 to \$10,000 the amount of aggregate annual commercial insurance premiums that an entity must have to qualify as an exempt commercial policyholder for purposes of insurance rate regulation.

Effective Date: July 1, 2006.

Explanation of State Expenditures:

Explanation of State Revenues: Decreasing the amount of aggregate annual commercial insurance premiums that an entity must have to qualify as an exempt commercial policyholder could increase the number of entities that qualify. The number of entities that will qualify under the proposed premium amounts is not known. However, it is expected that the provision will have little impact on fee revenue to the Department of Insurance (DOI).

Background Information. Public Law 268-1999 allowed an insurer to sell a commercial insurance policy to an entity in Indiana who is an "Exempt Commercial Policyholder" without filing the rate and corresponding policy form with the Indiana DOI. An insurer who issues insurance to an Exempt Commercial Policyholder must file an annual report and fee with the DOI by February 1 of each year.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: DOI.

Local Agencies Affected:

Information Sources: Carol Cutter, Deputy Commissioner for Health Issues, DOI, 232-5695; Cindy Donovan, Financial Division, 232-2408, DOI.

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